

Tax Forms Changes For 2008

Forms type	New Forms & Publications	Pending New Forms	Obsolete Forms	Significant Changes to Existing Forms & Instructions	Changes to California Forms based on Federal form and line changes.																														
Personal Income Tax	1. 540-V Payment Voucher for Scannable 540 returns. 2. Pub 776 Tax Information for Same-Sex Married Couples	None	None	1. Voluntary Contributions will have new 3 digit codes starting with #400.	None																														
				<table><tr><td>California Seniors Special Fund</td><td>400</td></tr><tr><td>Alzheimer’s Disease/Related Disorders Fund</td><td>401</td></tr><tr><td>California Fund for Senior Citizens</td><td>402</td></tr><tr><td>Rare and Endangered Species Preservation Program</td><td>403</td></tr><tr><td>State Children’s Trust Fund for the Prevention of Child Abuse</td><td>404</td></tr><tr><td>California Breast Cancer Research Fund</td><td>405</td></tr><tr><td>California Firefighters’ Memorial Fund</td><td>406</td></tr><tr><td>Emergency Food for Families Fund</td><td>407</td></tr><tr><td>California Peace Officer Memorial Foundation Fund</td><td>408</td></tr><tr><td>California Military Family Relief Fund</td><td>409</td></tr><tr><td>California Sea Otter Fund</td><td>410</td></tr><tr><td>California Ovarian Cancer Research Fund</td><td>411</td></tr><tr><td>Municipal Shelter Spay-Neuter Fund</td><td>412</td></tr><tr><td>California Cancer Research Fund</td><td>413</td></tr><tr><td>ALS/Lou Gehrig’s Disease Research Fund</td><td>414</td></tr></table>		California Seniors Special Fund	400	Alzheimer’s Disease/Related Disorders Fund	401	California Fund for Senior Citizens	402	Rare and Endangered Species Preservation Program	403	State Children’s Trust Fund for the Prevention of Child Abuse	404	California Breast Cancer Research Fund	405	California Firefighters’ Memorial Fund	406	Emergency Food for Families Fund	407	California Peace Officer Memorial Foundation Fund	408	California Military Family Relief Fund	409	California Sea Otter Fund	410	California Ovarian Cancer Research Fund	411	Municipal Shelter Spay-Neuter Fund	412	California Cancer Research Fund	413	ALS/Lou Gehrig’s Disease Research Fund	414
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				California Ovarian Cancer Research Fund		411																													
				Municipal Shelter Spay-Neuter Fund		412																													
				California Cancer Research Fund		413																													
				ALS/Lou Gehrig’s Disease Research Fund		414																													
Voluntary contribution funds are on forms 540, 540A, 540 2EZ, 540NR Short, 540NR Long, and 541.																																			
2. Voluntary Contribution Name change: From Emergency Food Assistance Program Fund to Emergency Food For Families Fund. Fund is extended to 1/1/2014. (SB 1101)																																			
3. California Firefighters’ Memorial Fund and California Peace Officer Memorial Foundation Fund are extended to 1/1/2016.(AB 1812)																																			

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				<p>4. California Ovarian Cancer Research Fund added to the 2008 Contribution Table (AB1935)</p> <p>5. Municipal Shelter Spay-Neuter Fund added to the 2008 Contribution Table (AB 2291)</p> <p>6. California Cancer Research Fund added to the 2008 Contribution Table (AB 2518)</p> <p>7. California Military Family Relief Fund (AB 3016)</p> <p>8. ALS/Lou Gehrig's Disease Research Fund added to the 2008 Contribution Table (SB 1502)</p> <p>9. Rice Straw Credit has been repealed. It has been removed from the current credit tables of the booklets and Schedule Ps. It has been placed in the repealed section of the credit tables in the booklets and on the Schedule Ps. It has a 10 year carryover provision so it will be added to the form FTB 3540.</p> <p>10. Third Party Designee to signature area.</p>	

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Credits and Economic Development Areas	None	None	None	Possible form and instructional changes to form FTB 3507 based on the credit carryover provision allowed in AB 1452.	None
Pass-Through Entity	3536 (LLC FEE)	None	None	<ol style="list-style-type: none"> 1. Third Party Designee to signature area. 2. Name changes to the 2009 withholding forms. 3. Establish threshold requirement to require single member LLCs to complete Schedule B & K with Form 568 filing. 	None
Fiduciary	None	None	None	<ol style="list-style-type: none"> 1. Forms 109, 199, 541-B, and 3500A have formatting changes. 2. Third Party Designee to Signature area. 	Act Section 1201(b) of the Pension Protection Act of 2006 made changes that affect split-interest trusts for 2007. The IRS made substantial changes to the 2007, Form 5227 to reflect changes to the Act. We are making the California applicable changes to Form 541-B, which were made to IRS Form 5227.

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Corporations	None	None	None	<p>1. Third Party Designee to signature area.</p> <p>2. Form 100S, Schedule K and Schedule K-1(100S), lines 7 and 8. The changes include the separation of the current NET short-term gains (losses), line 7, into two lines, total short-term gains and total short-term losses. And, the separation of net long-term gains (losses), line 8, into two lines, total long-term gains and total long-term losses.</p> <p>3. Standardize the main tax forms entity fields.</p>	None

Tax Forms Changes For 2008

CHAPTERED LEGISLATION

AB 88 and AB 1781 Budget Bill

- The Governor blue lined the funding for HRA claims
- Corporate Penalty for Understatement of Tax
- NOL Suspension for 2008 through 2009, for taxpayers with income of \$500,000 and over. Beginning in 2011 allows a two year carry back of NOL's. Limits carry backs to 50% for 2011 and 75% for 2012; 100% carry backs after 2012. NOL's may not be carried back to tax years prior to 2009. Impact: Instructional changes only. What's New language on the major tax forms. (AB 1452)
- Tax Credit Limitation and Usage Modification. This provision limits tax reductions from credits to 50% of tax liability. This limitation is effective for tax years 2008 and 2009 for corporate and individual taxpayers. Instructional changes to the main booklets and to the Sch P's. Also What's New language on the major tax forms. (AB 1452)
- LLC Payment Date Change effective 2009. This law changes the estimate payment of the fee amount to the 15th day of the sixth month of the LLC year, generally June 15.
- Accelerate Estimated Payments (PIT & Corp) effective 2009. Taxpayers will be required to pay 30 percent each with the first two estimated payments, and 20 percent each for the last two estimated payments.
- Removed Estimated Payment Option for High Income Taxpayers (over \$1m joint/\$500k single), effective 2009

AB 1389

- Nonresident electing partners included on the group return are subject to the millionaire tax.
- Nonresident Corporate Directors electing to be included on a group return are subject to the millionaire tax.
- Requires taxpayers that meet certain thresholds for estimate payments or tax liabilities to make all future payments electronically.
- Adds bail as a type of debt that could be referred to FTB for collection by the Courts.
- Authorizes Department of Industrial Relations to refer assessments and penalties under the Cal-Osha Targeted Inspection Program to FTB for collection.

AB 1452

- Limits business tax credits to 50% of net tax (before business credits) for tax years 2008 and 2009.
- Suspends NOL deductions for 2008 and 2009, and then conforms to federal NOL carry back rules with modifications.
- Requires the LLC fee to be estimated and paid 10 months before the current due date of the return; imposes a 10% underpayment penalty.
- Allows existing corporate tax law credit carryovers, under corporation tax law, to be assigned to unitary affiliates for taxable years beginning on or after July 1, 2008.
- Requires the Franchise Tax Board to issue a report on the use of tax credits in the 2010 and 2011 taxable years.

AB 3078 Underpayment of Estimated Tax Penalty

Tax Forms Changes For 2008

CHAPTERED LEGISLATION

- Changes the threshold amount for issuing a penalty from \$200/\$100 to \$500/\$250. Instructions forms FTB 5805 and 5805F will be revised.
- Increase the alternative withholding rate for a sale of California real property by a non-California S-Corporation to 10.8% or 12.8% (financials), as applicable, of the gain recognized by the S-Corporation on the sale.
- Require a buyer of California real property to withhold on each installment sale payment made by a non-resident seller if the sale is structured as an installment sale, no longer optional for non-residents.
- Allow the board to include entities with less than 2 electing non-resident individuals, and electing individuals with more than a specified amount of California taxable income, in a group nonresident return.
- Impose withholding requirements on a sale of California real property by a non-California partnership.
- Clarify the rules for the elimination from income of certain dividends received
- Require a revision to the instructions of the non-resident group return, corporation booklets and Schedule H (100, 100W, and 100S).

SB X 28

- Changes estimate payment percentages to 30% of the annual tax liability for the 1st and 2nd estimate payment installments and 20% of the annual tax liability for the 3rd and 4th installments under PIT and CORP law for tax years on or after January 1, 2009.
- Requires corporate taxpayers not required to make a 1st installment to pay 40%, 30%, and 30% for installments due.
- Eliminates option of using a percentage of prior year's tax to compute the required annual payment for taxpayers with AGI of \$1 million or more (\$500,000 in the case of a married individual filing a separate return).
- Repeals Tax amnesty provisions and penalty in AB 1452
- Enact new corporation tax penalty for understatements of tax greater than \$1 Million equal to 20% of understatement for taxable years beginning on or after January 1, 2003.
- Clarifies operative date for the requirement to estimate and pay the LLC fee for taxable years beginning on or after January 1, 2009.
- Clarifies the business tax credit assignment language in AB 1452 with regard to application of limitations on credits when initially earned.

SB 1055 Mortgage Debt Relief

- Generally conforms to federal change. Instructions in Schedule CA for different dates and dollar amounts. Instructions for filing amended return.

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TAX FORM CHANGES BASED ON CALIFORNIA LEGISLATION				
List of Forms	Impact	Bill Numbers	Explanation	Required Changes
100 and 100W	No		No legislation impact	
100 Booklet instructions and 100W Booklet instructions	Yes	SBX 28	(1) Beginning 1/1/09, the first two estimated payments for corp. are increased from 25% to 30%, and the last two are reduced to 20%. Requires corporate t/p not required to make a 1st installment to pay 40%, 30%, and 30% for installments due. (2) New corporate penalty equal to 20% of an understatement of tax for corporations with understated tax of more than \$1 million.	(1) Add a paragraph under What's New section; General Information K Estimated Tax (2) Add a paragraph under What's New section; General Information M Penalties
100 Booklet instructions and 100W Booklet instructions	Yes	AB 1389	Certain nonresident corporate directors electing to be included on a group return are subject to the millionaire tax.	Add a paragraph under What's New section
100 Booklet instructions and 100W Booklet instructions	Yes	AB 1452	(1) Business credits are limited to 50% of tax liability for 2008 & 2009, with an exception for small businesses. (2) The NOL deduction is suspended for 2008 and 2009, with an exception for taxpayers with net business income of less than \$500,000 for the taxable year. For taxable years beginning on or after 1/1/08, NOLs may be carried forward for 20 years; NOLs may be carried back for two years for losses generated in taxable years beginning on or after 1/1/2011. This does not apply to disaster loss. (3) For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	(1) Add a paragraph under What's New section; Specific Line Instructions for Line 25-27. If one or two credits, may need a worksheet. If more than two credits, see Sch. P. (2) Add a paragraph under What's New section; Pg 9, General Information W NOL. (3) Add a paragraph under What's New section

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TAX FORM CHANGES BASED ON CALIFORNIA LEGISLATION				
List of Forms	Impact	Bill Numbers	Explanation	Required Changes
100 Booklet instructions and 100W Booklet instructions	Yes	AB 3078	(1) Allow the board to include entities with less than 2 electing nonresident individuals, and electing individuals with more than a specified amount of CA taxable income, in a group nonresident return. (2) Require the buyer to withhold on each installment sale payment if the sale of CA real property is structured as an installment sale. (3) The dividend elimination is allowed regardless of whether the payor / payee are taxpayer members of the CA combined unitary group return, or whether the payor/payee had previously filed CA tax returns, as long as the payor/payee filed as members of a comparable unitary business outside of this state when the earnings & profits from which the dividends were paid arose. Dividend elimination is allowed for dividends paid from a member of a combined unitary group to a newly formed member of the combined unitary if the recipient corporation has been a member of the combined unitary group from its formation to its receipt of the dividends.	Add a paragraph under What's New section
100 ES	Yes	SBX 28	(1) Beginning 1/1/09, the first two estimated payments for corp. are increased from 25% to 30%, and the last two are reduced to 20%. Requires corporate t/p not required to make a 1st installment to pay 40%, 30%, and 30% for installments due. (2) New corporate penalty equal to 20% of an understatement of tax for corporations with understated tax of more than \$1 million.	Add a paragraph under What's New section; Instructions & related Worksheets
100S	No		No legislation impact	
100S Booklet inst	Yes	SBX 28	(1) Beginning 1/1/09, the estimated tax payments are being accelerated from 25%; 25%; 25%; 25% to 30%; 30%; 20%; 20. (2) If they are under audit/or they have a change in their tax liability of over \$1 million then they will be subject to the new corporate penalty equal to 20% of an understatement of tax. (corp. issue only)	Add a paragraph under What's New section, General Information, Section K, Estimated Tax and Section M, Penalties
100S Booklet inst	Yes	AB 1389	Nonresident corporate directors electing to be included on a group return are subject to the millionaire tax.	Add a paragraph under What's New section

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TAX FORM CHANGES BASED ON CALIFORNIA LEGISLATION				
List of Forms	Impact	Bill Numbers	Explanation	Required Changes
100S Booklet inst	Yes	AB 1452	(1) Business credits are limited to 50% of tax liability for 2008 & 2009, with an exception for small businesses. (2) The NOL deduction is suspended for 2008 and 2009, except for taxpayers with net business income of less than \$500,000 in either year or for disaster losses. For taxable years beginning on or after 1/1/08, NOLs may be carried forward for 20 years; NOLs may be carried back for two years for losses generated in taxable years beginning on or after 1/1/2011. (3) For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	Add a paragraph under What's New section
100S Booklet inst	Yes	AB 3078	(1) Allow the board to include entities with less than 2 electing nonresident individuals, and electing individuals with more than a specified amount of CA taxable income, in a group nonresident return. (2) Require the buyer to withhold on each installment sale payment if the sale of CA real property is structured as an installment sale. (3) The dividend elimination is allowed regardless of whether the payor / payee are taxpayer members of the CA combined unitary group return, or whether the payor/payee had previously filed CA tax returns, as long as the payor/payee filed as members of a comparable unitary business outside of this state when the earnings & profits from which the dividends were paid arose.	Add a paragraph under What's New section
100WE	No		No legislation impact	
100X	Yes	AB 1452	(2) The NOL deduction is suspended for 2008 and 2009, with an exception for taxpayers with net business income of less than \$500,000 for the taxable year. For taxable years beginning on or after 1/1/08, NOLs may be carried forward for 20 years; NOLs may be carried back for two years for losses generated in taxable years beginning on or after 1/1/2011. This rule does not apply to disaster loss.	Add a paragraph under What's New section
109 Booklet 541 Booklet 109 Form	Yes (tickler for	SB 1247	This bill consolidates the farmworkers housing tax credit into low income housing tax credit	Add to "What's New" and update credit chart

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TAX FORM CHANGES BASED ON CALIFORNIA LEGISLATION				
List of Forms	Impact	Bill Numbers	Explanation	Required Changes
541 Form 541 QFT Sch P (540) Sch P (540NR) Sch P (541)	2009)			Update 541QFT instructions
109 Booklet 541 Booklet 109 Form 541 Form 541 QFT Sch P (540) Sch P (540NR) Sch P (541)	YES	AB 1452	(1) Business credits are limited to 50% of tax liability for 2008 & 2009 for taxpayers with business income over \$500,000 with an exception for small businesses.	Add to "What's New" regarding credit limitations to all impacted forms. Add instructions and possible worksheet to all three Schedule P's. Add instructions (refer to Schedule P) to 109 Form Line 11, Tax Credits. Add instructions (refer to Schedule P) to Form 541, Line 23, Credits. Add instructions to (refer to Schedule P)Form 541-QFT Line 14, Credits.
109 Booklet 541 Booklet 109 Form 541 Form Sch P (540) Sch P (540NR) Sch P (541) 3805V Schedule K-1	YES	AB 1452	(2) The NOL deduction is suspended for 2008 and 2009, with an exception for small businesses. For taxable years beginning on or after 1/1/08, NOLs may be carried forward for 20 years; NOLs may be carried back for two years for losses generated in taxable years beginning on or after 1/1/2011.	Add "What's New" to all forms. Add detailed instructions to Schedule P (Line 16, and Line 20) and 3805V. Add instructions to Schedule K-1(541) Line 11a through 11d, 109 Booklet Line 7, 541 Booklet Line 15a,

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TAX FORM CHANGES BASED ON CALIFORNIA LEGISLATION				
List of Forms	Impact	Bill Numbers	Explanation	Required Changes
				541 Form Line 15a.
109 Booklet 541 Booklet 3805V	Yes	SB 1064	Disaster relief Adds designated 2008 disasters.	Add to "What's New" in the 109 and 541 Booklets. Add to What's New and instructions and tables and 3805V.
109 Booklet 541 Booklet 541 Form 109 Form	Yes	AB 1935	This bill authorizes a voluntary contribution fund for Ovarian Cancer Research. Once enacted the fund will expire after five years.	Add new designated code to form and Voluntary contribution chart
109 Booklet 541 Booklet 541 Form 109 Form	Yes	AB 2291	Change the name from Emergency Food Assistance Program Fund to Emergency Food for Families Fund. Also, extend the expiration date of the fund from January 1, 2009 to January 1, 2014.	Change name of voluntary contribution on the form and Voluntary Contribution Chart.
109 Booklet 541 Booklet 541 Form 109 Form	Yes	AB 2518	This bill authorizes a voluntary contribution fund for California Cancer Research Fund. Once enacted the fund will expire after five years or earlier if the annual contribution amount will be less than \$250,000.	Add new designated code to form and Voluntary contribution chart
109 Booklet 541 Booklet 541 Form 109 Form	YES	SB 1502	This bill authorizes a new voluntary contribution fund for ALS/Lou Gehrig's Disease Research Fund.	Add new designated code to form and Voluntary contribution chart
109 Booklet 541 Booklet 541 Form 109 Form	Yes	SB 1502	This bill authorizes a new voluntary contribution fund for ALS/Lou Gehrig's Disease Research Fund.	Add new designated code to form and Voluntary contribution chart
109 Booklet 541 Booklet 541 Form 541 QFT	Yes	AB 1812	Extend expiration date of existing voluntary contribution (California Firefighter's Memorial Fund an California Peace Officer Memorial Fund) to 01/01/2016	No change to forms necessary. Voluntary contribution remains on the form.

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TAX FORM CHANGES BASED ON CALIFORNIA LEGISLATION				
List of Forms	Impact	Bill Numbers	Explanation	Required Changes
109 Form				
109 Booklet 541 Booklet 541 Form 541-QFT 109 Form	YES	AB 3078	This would increase the amounts excluded from underpayment of estimated tax penalty from \$ 200 (\$100 MFS) to \$500 (\$250 MFS) effective for the 2009 tax year.	Add What's New and change instructions to booklets and change instructions
109 Booklet 541 Booklet 541 Form 541-QFT 109 Form 541ES 541ES SCAN	Yes	SBX28	1) Beginning 1/1/09, the estimated tax payments are being accelerated from 25%, 25%, 25%, and 25%; to 30%, 30%, 20%, and 20%. Requires corporate t/p not required to make a 1st installment to pay 40%, 30%, and 30% for installments due.	Add to "What's New" in the booklets and forms. Add "What's New" and change instructions on Form 541ES following PIT rules.
1115	No		No legislation impact	
1117	No		No legislation impact	
199	No		No legislation impact	
2416	No		No legislation impact	
2424	No		No legislation impact	
3500 Booklet	No		No legislation impact	
3500 Form	No		No legislation impact	
3500A	No		No legislation impact	
3501	Yes	AB 1452	PIT/Corp - (1)Total business credits including the c/o of any business credit, are limited to 50% of "net tax"/"tax" liability for 2008 & 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (2) Corp only - For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	What's New section
3503	Yes	AB 1452	PIT/Corp - (1)Total business credits including the c/o of any business credit, are limited to 50% of "net tax"/"tax" liability for 2008 & 2009, with an	What's New section

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TAX FORM CHANGES BASED ON CALIFORNIA LEGISLATION				
List of Forms	Impact	Bill Numbers	Explanation	Required Changes
			exception for taxpayers with "net business income"/income of less than \$500,000. (2) Corp only - For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	
3506	No		No legislation impact	
3507	Yes	AB 1452	PIT/Corp - (1)Total business credits including the c/o of any business credit, are limited to 50% of "net tax"/"tax" liability for 2008 & 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (2) Corp only - For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	What's New section- What's New paragraph; Two new lines will be added to the form & instructional language for the new lines to allow taxpayers to track the carryover credit for AB1452 only.
3510	No		No legislation impact	
3511	Yes	AB 1452	PIT/Corp - (1)Total business credits including the c/o of any business credit, are limited to 50% of "net tax"/"tax" liability for 2008 & 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (2) Corp only - For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	What's New section
3519	Yes	AB1389	Electronic Funds Transfer (EFT)All payments made on or after January 1, 2009, with regard to an extension of time to file, shall be electronically remitted to the Franchise Tax Board (FTB) if the payment exceeds \$20,000 or the total tax liability shown on your original return exceeds \$80,000 for any taxable year on or after January 1, 2009.	Additional information added to What's New
3521	Yes	AB 1452	PIT/Corp - (1)Total business credits including the c/o of any business credit, are limited to 50% of "net tax"/"tax" liability for 2008 & 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (2) Corp only - For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	What's New section
3522	No		No legislative impact	

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TAX FORM CHANGES BASED ON CALIFORNIA LEGISLATION				
List of Forms	Impact	Bill Numbers	Explanation	Required Changes
3523	Yes	AB 1452	PIT/Corp - (1) Total business credits including the c/o of any business credit, are limited to 50% of "net tax"/"tax" liability for 2008 & 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (2) Corp only - For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	What's New section
3525	No		No legislation impact	
3526	No		No legislation impact	
3533	No		No legislation impact	
3536	Yes	AB 1452	The due date of the LLC fee has changed from the 15th day of the 4th month following the close of the taxable year to the 15th day of the 6th month of the current taxable year. The LLC fee is based on an estimate of the LLC fee from the preceding taxable year. If the LLC fee is underpaid, the amount of the under payment is subject to a 10% penalty. The effective date is for taxable years beginning on or after 1/1/2009.	This is a new form created for the LLC fee, Form 3536, Estimated Fee for LLCs. This Form will be included in the booklet and used in 2009. The instructions on the Form will include information in "What's New" instructions informing taxpayer's that the due date of the LLC fee has changed due to a change in tax law. Also, instructions will inform taxpayers of penalties that will be imposed based on this new law.
3537	Yes	AB 1452	The due date of the LLC fee has changed from the 15th day of the 4th month following the close of the taxable year to the 15th day of the 6th month of the current taxable year. The LLC fee is based on an estimate of the LLC fee from the preceding taxable year. If the LLC fee is underpaid, the amount of the under payment is subject to a 10% penalty. Form 3537 should be used for taxable years beginning before 1/1/2009 to submit the LLC fee and non-consenting non-resident members tax. For tax years beginning on or after 1/1/2009, the 3537 will be used only to submit the	Will need to add a What's New in the instructions information taxpayer's that the due date of the LLC fee is changing.

Tax Forms Changes For 2008

TAX FORM CHANGES BASED ON CALIFORNIA LEGISLATION				
List of Forms	Impact	Bill Numbers	Explanation	Required Changes
			non-consenting non-resident members tax.	
3538	No		No legislative impact	
3539	Yes	SBX 28	New corporate penalty equal to 20% of an understatement of tax for corporations with understated tax of more than \$1 million.	Penalties and Interest section
3540	No		No legislation impact.	
3546	Yes	AB 1452	PIT/Corp - (1)Total business credits including the c/o of any business credit, are limited to 50% of "net tax"/"tax" liability for 2008 & 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (2) Corp only - For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	What's New section
3547	Yes	AB 1452	PIT/Corp - (1)Total business credits including the c/o of any business credit, are limited to 50% of "net tax"/"tax" liability for 2008 & 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (2) Corp only - For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	What's New section
3548	Yes	AB 1452	PIT/Corp - (1)Total business credits including the c/o of any business credit, are limited to 50% of "net tax"/"tax" liability for 2008 & 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (2) Corp only - For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	What's New section
3553	No		No legislation impact.	
3563	No		No legislation impact	
3565	No		No legislation impact	
3574	No		No legislative impact	
3576	No		No legislation impact	
3577	No		No legislation impact	

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List of Forms	Impact	Bill Numbers	Explanation	Required Changes
3578	No		No legislation impact	
3579	No		No legislation impact	
3580	No		No legislation impact.	
3581	No		No legislation impact	
3582	Yes	AB 1389	This bill would require personal income taxpayers with tax or extension payments in excess of \$20,000 or total tax liability in excess of \$80,000 to remit payment by EFT.	Add to "What's New"
3586	No		No legislation impact	
3586 Scan	No		No legislation impact	
3587	No		No legislation impact	
3587 Scan	No		No legislation impact	
3588	No		No legislation impact	
3588 Scan	No		No legislation impact	
3725	No		No legislation impact	
3726	No		No legislation impact	
3800	No		No legislation impact	
3801	No		No legislation impact	
3801-CR	No		No legislation impact	
3802	No		No legislation impact	
3803	No		No legislation impact	
3805D	Yes	AB 1452	The NOL deduction is suspended for 2008 and 2009, with an exception for taxpayers with net business income of less than \$500,000 for the taxable year. For taxable years beginning on or after 1/1/08, NOLs may be carried forward for 20 years; NOLs may be carried back for two years for losses generated in taxable years beginning on or after 1/1/2011. This rule does not apply to disaster loss.	Add a paragraph under What's New section

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List of Forms	Impact	Bill Numbers	Explanation	Required Changes
3805E	No		No legislation impact	
3805P	No		No legislation impact	
3805Q	Yes	AB 1064	Disaster relief	Add new designated codes
3805Q	Yes	AB 1452	(1) Suspends NOL for 2008 & 2009, exception for taxpayers with net business income of less than \$500,000 in either year or for disaster losses. (2) NOL beginning on 1/1/2010 extends the carryover period from 10 years to 20 years. (3) NOL beginning 1/1/2011 can be carried back to the 2 preceding taxable years.	Add a paragraph under What's New section for 2008 for item 1; Tickler item 2 & 3 for 2009.
3805Z	Yes	AB 1452	PIT/Corp - (1)Total business credits including the c/o of any business credit, are limited to 50% of "net tax"/"tax" liability for 2008 & 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (2) The NOL deduction is suspended for 2008 and 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (3) For taxable years beginning on or after 1/1/08, NOLs may be carried forward for 20 years (4) NOLs may be carried back for two years for losses generated in taxable years beginning on or after 1/1/2011. (5) Corp only - For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	What's New section - What's New paragraph; Additional instructions - new language to inform taxpayers at or above \$500,000 that credits may be limited further and NOL is suspended for 2008.
3806	Yes	AB 1452	PIT/Corp - (1)Total business credits including the c/o of any business credit, are limited to 50% of "net tax"/"tax" liability for 2008 & 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (2) The NOL deduction is suspended for 2008 and 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (3) For taxable years beginning on or after 1/1/08, NOLs may be carried forward for 20 years (4) NOLs may be carried back for two years for losses generated in taxable years beginning on or after 1/1/2011. (5) Corp only - For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	What's New section - What's New paragraph; Additional instructions - new language to inform taxpayers at or above \$500,000 that credits may be limited further and NOL is suspended for 2008.
3807	Yes	AB 1452	PIT/Corp - (1)Total business credits including the c/o of any business credit, are limited to 50% of "net tax"/"tax" liability for 2008 & 2009, with an	What's New section - What's New paragraph; Additional instructions

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			exception for taxpayers with "net business income"/income of less than \$500,000. (2) The NOL deduction is suspended for 2008 and 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (3) For taxable years beginning on or after 1/1/08, NOLs may be carried forward for 20 years (4) NOLs may be carried back for two years for losses generated in taxable years beginning on or after 1/1/2011. (5) Corp only - For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	- new language to inform taxpayers at or above \$500,000 that credits may be limited further and NOL is suspended for 2008.
3808	Yes	AB 1452	PIT/Corp - (1)Total business credits including the c/o of any business credit, are limited to 50% of "net tax"/"tax" liability for 2008 & 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (2) Corp only - For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	What's New section
3809	Yes	AB 1452	PIT/Corp - (1)Total business credits including the c/o of any business credit, are limited to 50% of "net tax"/"tax" liability for 2008 & 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (2) The NOL deduction is suspended for 2008 and 2009, with an exception for taxpayers with "net business income"/income of less than \$500,000. (3) For taxable years beginning on or after 1/1/08, NOLs may be carried forward for 20 years (4) NOLs may be carried back for two years for losses generated in taxable years beginning on or after 1/1/2011. (5) Corp only - For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	What's New section - What's New paragraph; Additional instructions - new language to inform taxpayers at or above \$500,000 that credits may be limited further and NOL is suspended for 2008.
3832	No		No legislative impact	
3834	No		No legislative impact	
3885	No		No legislation impact	
3885A (540)	No		No legislation impact	
3885A (540NR)	No		No legislation impact	
3885F	No		No legislation impact	
540 2EZ	Yes	AB1935,	California Ovarian Cancer Research Fund, Municipal Shelter Spay-Neuter Fund,	These four funds were added to

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		AB 2291, AB2518, Ab1502	California Cancer Research Fund, ALS/Lou Gehrig's Disease Research Fund	the form. (All voluntary contribution numbers were renumbered using 400 series numbers)
540 2EZ Booklet	Yes	AB1935, AB 2291, AB2518, Ab1502	California Ovarian Cancer Research Fund, Municipal Shelter Spay-Neuter Fund, California Cancer Research Fund, ALS/Lou Gehrig's Disease Research Fund	Additional information added to What's New
540 ES	Yes	AB1389	Electronic Funds Transfer (EFT) All payments made on or after January 1, 2009, with regard to an extension of time to file, shall be electronically remitted to the Franchise Tax Board (FTB) if the payment exceeds \$20,000 or the total tax liability shown on your original return exceeds \$80,000 for any taxable year on or after January 1, 2009.	Additional information added to What's New
540 ES	Yes	SBX 28	Installment Payments Installments due for each taxable year beginning on or after January 1, 2009 shall be thirty percent of the required annual payment for the 1st and 2nd required installments and twenty percent of the required annual payment for the 3rd and 4th required installments.	Additional information added to What's New and the instructions in the "Estimated Tax Worksheet has been updated.
540 ES	Yes	SBX 28	Taxpayers with adjusted gross income equal to or greater than one million dollars (or \$500,000 if married/RDP filing separately), must figure estimated tax based on their tax for 2009. This bill increase the amounts excluded from underpayment penalty from \$200 to \$500, and in the case of a separate return filed by a married person, from \$100 to \$250	Additional instructions added under "Limit on the use of Prior's Years Tax", and update the estimated tax worksheet.
540 X	No		No legislation impact	
540/540A and NR Booklet	Yes	SB 1055	This bill would provide modified conformity to federal provisions of the Mortgage Forgiveness Debt Relief Act of 2007, relating to the exclusion of the discharge of qualified principal residence indebtedness from income.	Add to "What's New" in PIT and NR booklet.
540/540A and NR Booklet	Yes (tickler for	SB 1247	This bill consolidates the farmworkers housing tax credit into low income housing tax credit	Add to "What's New" and update credit chart

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	2009)			
540/540A and NR Booklet	Yes	SBX 28	1) Beginning 1/1/09, the estimated tax payments are being accelerated from 25%, 25%, 25%, and 25%; to 30%, 30%, 20%, and 20%.	Add to "What's New" in PIT and NR booklet.
540/540A and NR Booklet	Yes	SB 1064	Disaster relief	Add to "What's New" in PIT and NR booklet.
540/540A Long 540NR	Yes	AB 1389	This bill would require personal income taxpayers with tax or extension payments in excess of \$20,000 or total tax liability in excess of \$80,000 to remit payment by EFT.	Add to "What's New" in PIT and NR booklet. (1) Additional instructions for the line "Amount You Owe".
540/540A Long 540NR	Yes	AB 1452	(1) Business credits are limited to 50% of tax liability for 2008 & 2009 for taxpayers with business income over \$500,000 with an exception for small businesses. (2) The NOL deduction is suspended for 2008 and 2009, with an exception for small businesses. For taxable years beginning on or after 1/1/08, NOLs may be carried forward for 20 years; NOLs may be carried back for two years for losses generated in taxable years beginning on or after 1/1/2011.	Add to "What's New" in PIT and NR booklet. Additional instructions on the line "Special Credits".
540/540A Long 540NR Short 540NR	Yes (Tickler for 2010)	AB 583	This bill authorizes a voluntary contribution fund for Voters Fair Elections Fund effective 01/01/2011 (tax year 2010) through 12/31/2019.	Add new designated code to form and Voluntary Contribution chart.
540/540A Long 540NR Short 540NR	Yes	AB 1812	Extend expiration date of existing voluntary contribution (California Firefighter's Memorial Fund an California Peace Officer Memorial Fund) to 1/01/2016	N/A
540/540A Long 540NR Short 540NR	Yes	AB 1935	This bill authorizes a voluntary contribution fund for Ovarian Cancer Research. Once enacted the fund will expire after five years.	Add new designated code to form and voluntary contribution chart.
540/540A Long 540NR Short 540NR	Yes	AB 2291	This bill authorizes a voluntary contribution fund for Municipal Shelter Spay-Neuter Fund. Once enacted the fund will expire after five years or earlier if the annual contribution amount will be less than \$250,000.	Add new designated code to form and Voluntary Contribution chart.
540/540A	Yes	AB 2518	This bill authorizes a voluntary contribution fund for California Cancer	Add new designated code to form

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Long 540NR Short 540NR			Research Fund. Once enacted the fund will expire after five years or earlier if the annual contribution amount will be less than \$250,000.	and Voluntary Contribution chart.
540/540A Long 540NR Short 540NR	Yes	AB1101	Change the name from Emergency Food Assistance Program Fund to Emergency Food for Families Fund. Also, extend the expiration date of the fund from January 1, 2009 to January 1, 2014.	Change name of voluntary contribution on the form and Voluntary contribution chart.
540/540A Long 540NR Short 540NR	Yes	SB 1247		
540/540A Long 540NR Short 540NR	Yes	SB 1502	This bill authorizes a new voluntary contribution fund for ALS/Lou Gehrig's Disease Research Fund.	Add new designated code to form and Voluntary Contribution Chart.
540/540A Long 540NR Short 540NR	Yes (tickler for 2009)	AB 3078	This would increase the amounts excluded from underpayment of estimated tax penalty from \$ 200 (\$100 MFS) to \$500 (\$250 MFS) effective for the 2009 tax year.	Add to "What's New" and line instructions underestimate penalty.
540-V	Yes	AB 1389	This bill would require personal income taxpayers with tax or extension payments in excess of \$20,000 or total tax liability in excess of \$80,000 to remit payment by EFT.	Add to "What's New"
541_T	No		No legislation impact	
541A	No		No legislation impact	
541B	No		No legislation impact	
565	No		No legislative impact	
565 Booklet instr.	No		No legislative impact	
568	No		No legislative impact	
568 Booklet instr.	Yes	AB 1452	The due date of the LLC fee has changed from the 15th day of the 4th month following the close of the taxable year to the 15th day of the 6th month of the current taxable year. The LLC fee is based on an estimate of the LLC fee from the preceding taxable year. If the LLC fee is underpaid, the amount of the under payment is subject to a 10%	A new form was created for the LLC fee, Form 3536, which will be included in the booklet and used in 2009. The instructions in the booklet will include

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List of Forms	Impact	Bill Numbers	Explanation	Required Changes
			penalty. Effective for taxable years beginning 1/1/2009.	information in the "What's New" instructions informing taxpayer's the due date of the LLC fee has changed due to a change in tax law.
570	No		No legislation impact	
5805	Yes	SBX 28	If the taxpayer has AGI equal or over \$1 million, they do not have an option any longer to choose between the 90% of prior or 110% of current. The taxpayer must pay at the 90% of prior year. Takes effect 1/1/09	What's new - 2008; Change the safe harbor rules in 2009 FTB 5805. Do not need to change FTB 5805F
5805F	No		No impact to legislation	
5806	Yes	SBX 28	1) Beginning 1/1/09, the estimated tax payments are being accelerated from 25%; 25%; 25%; to 30%; 30%; 20%; 20.	Add a paragraph under What's New section 2008; On the 2009 version change the % (tickler item)
5870A	No		No legislation impact	
588	No		No legislation impact	
589	No		No legislative impact	
590	No		No legislation impact	
590-P	No		No legislation impact	
592	No		No legislative impact	
592-A	No		No legislative impact	
592-B	No		No legislative impact	
592-F	No		No legislative impact	
593	Yes	AB 3078	Withholding requirements will be imposed on a sale of California real property by a non-California partnership at a rate of either 3 1/3% of sales proceeds, or 9.3% of gain. The alternative withholding rate will be increased for a sale of California real property by a non-California "S" corporation to 10.8% and for a Financial "S" Corporation to 12.8%	Will need to add a What's New to the instructions. Will need to add non-California Partnership to checkbox 4B, Individual, Optional Gain on Sale Election. Will need to modify the existing withholding percentage rates for "S"

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List of Forms	Impact	Bill Numbers	Explanation	Required Changes
				corporation and Financial "S" corporations from 1.5% to 10.8% and 3.5% to 12.8% respectively
593 Booklet instr.	Yes	AB 3078	Buyers will be required to withhold on each installment sale payment if the sale of California real property is structured as an installment sale. Withholding requirements will be imposed on a sale of California real property by a non-California partnership at a rate of either 3 1/3% of sales proceeds, or 9.3% of gain. The alternative withholding rate will be increased for a sale of California real property by a non-California "S" corporation to 10.8% and for a Financial "S" Corporation to 12.8%	Will need to add a What's New to the instructions. Changes will be made to Form 593-C and 593-E as stated in the rows below.
593-C	Yes	AB 3078	Buyers will be required to withhold on each installment sale payment if the sale of California real property is structured as an installment sale	Will need to add a What's New to the instructions. Will need to revise line 12 of the Form and line 12 of the Instructions
593-E	Yes	AB 3078	Withholding requirements will be imposed on a sale of California real property by a non-California partnership at a rate of either 3 1/3% of sales proceeds, or 9.3% of gain. The alternative withholding rate will be increased for a sale of California real property by a non-California "S" corporation to 10.8% and for a Financial "S" Corporation to 12.8%	Will need to add a What's new in the instructions. Will need to modify line 17, Optional Gain on Sale Withholding Amount, to change the "S" corporation and the Financial "S" corporation rates to 10.8% and 12.8% respectively. Also, will need to add partnerships to the Individual rate, 9.3%
593-I	Yes	AB 3078	Buyers will be required to withhold on each installment sale payment if the sale of California real property is structured as an installment sale	Will need to add a What's New in the instructions. Update language in the instructions to inform taxpayers that they are required to withhold on each installment sale payment if the sale is structured as an installment sale; and remove language in the

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List of Forms	Impact	Bill Numbers	Explanation	Required Changes
				instructions that refers to buyer not needing to withhold on subsequent installment payments.
593-V	Yes	AB 3078	Form 593-V is a payment voucher that is used for real estate withholding of electronic submissions. There is no change to the format of the form. The only change is the addition of the "What's new" section regarding the changes to some of the withholding rates.	Will need to add a What's new in the instructions regarding the withholding percentage rates that will be changed on Form 593
Pub 1001	Yes	SB 1055	This bill would provide modified conformity to federal provisions of the Mortgage Forgiveness Debt Relief Act of 2007, relating to the exclusion of the discharge of qualified principal residence indebtedness from income.	Add to "What's New" and list fed/state difference in the chart.
Pub 1005	No		No legislation impact	
Pub 1006	No		No legislative impact	
Pub 1031	No		No legislation impact.	
Pub 1032	No		No legislation impact	
Pub 1061	Yes	AB 1452	(2) The NOL deduction is suspended for 2008 and 2009, with an exception for taxpayers with net business income of less than \$500,000 for the taxable year. For taxable years beginning on or after 1/1/08, NOLs may be carried forward for 20 years; NOLs may be carried back for two years for losses generated in taxable years beginning on or after 1/1/2011. This rule does not apply to disaster loss. (3) For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	(2) Pg 7, under NOL section. (3) Pg 4, under the Use of a Combined Report section
Pub 1067	Yes	AB 3078	Pub 1067 includes Schedule 1067A and 1067B that are used by business entities that elect to file a group nonresident return. Due to the enactment of AB 3078, nonresident individuals with a California taxable income in excess of one million dollars will now be allowed to be included in the nonresident group return. Nonresident individuals included in the nonresident group return with a California taxable income in excess of one million dollars will also be subject to a 1% additional tax for the amount over one million dollars. These changes are effective for taxable years beginning on or after 1/1/2009.	This bill is an urgency bill effective immediately (1/1/08), however, the language also implies that it may be effective next year. For implementation purposes, it would be best if the effective date used is 2009. The only change for 2008 is the addition of a "What's New" section in the publication.

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				The "What's New" section will explain some of the changes for taxable year 2009.
Pub 737	No		No legislation impact	
Pub 776	No		No legislation impact	
Sch B	No		No legislation impact	
Sch C	Yes	AB 1452	Temporarily limit the amount of business tax credits that can be used to reduce tax liability in 2008 & 2009. In other words, Use of the credits would be limited to 50% of the taxpayer 's state tax liability.	Add a paragraph under What's New section
Sch CA (540) Sch CA (540NR)	Yes	AB 1452	(1) The NOL deduction is suspended for 2008 and 2009, with an exception for small businesses. For taxable years beginning on or after 1/1/08, NOLs may be carried forward for 20 years; NOLs may be carried back for two years for losses generated in taxable years beginning on or after 1/1/2011.	Add to "What's New" and line 21 instructions.
Sch CA (540) Sch CA (540NR)	Yes	SB 1055	This bill would provide modified conformity to federal provisions of the Mortgage Forgiveness Debt Relief Act of 2007, relating to the exclusion of the discharge of qualified principal residence indebtedness from income.	Add to "What's New" and line 21 instructions.
Sch D	No		No legislation impact	
Sch D (540)	No		No legislation impact	
Sch D (540NR)	No		No legislation impact	
Sch D (541)	No		No legislation impact	
Sch D/3885L	No		No legislative impact	
Sch D/3885P	No		No legislative impact	
Sch D-1	No		No legislation impact	
Sch G-1	No		No legislation impact	

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List of Forms	Impact	Bill Numbers	Explanation	Required Changes
Sch H (100S)	Yes	AB 3078	The dividend elimination is allowed regardless of whether the payor / payee are taxpayer members of the CA combined unitary group return, or whether the payor/payee had previously filed CA tax returns, as long as the payor/payee filed as members of a comparable unitary business outside of this state when the earnings & profits from which the dividends were paid arose.	Add a paragraph under What's New section
Sch H(100)	Yes	AB 3078	(3) The dividend elimination is allowed regardless of whether the payor / payee are taxpayer members of the CA combined unitary group return, or whether the payor/payee had previously filed CA tax returns, as long as the payor/payee filed as members of a comparable unitary business outside of this state when the earnings & profits from which the dividends were paid arose. Dividend elimination is allowed for dividends paid from a member of a combined unitary group to a newly formed member of the combined unitary if the recipient corporation has been a member of the combined unitary group from its formation to its receipt of the dividends.	Add a paragraph under What's New section
Sch H(100W)	Yes	AB 3078	(3) The dividend elimination is allowed regardless of whether the payor / payee are taxpayer members of the CA combined unitary group return, or whether the payor/payee had previously filed CA tax returns, as long as the payor/payee filed as members of a comparable unitary business outside of this state when the earnings & profits from which the dividends were paid arose. Dividend elimination is allowed for dividends paid from a member of a combined unitary group to a newly formed member of the combined unitary if the recipient corporation has been a member of the combined unitary group from its formation to its receipt of the dividends.	Add a paragraph under What's New section
Sch K-1 (568)	No		No legislative impact	
Sch K-1 (565)	No		No legislative impact	
Sch K-1(100S)	No		No legislation impact	

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Sch P (100)	Yes	AB 1452	(1) Business credit are limited to 50% of tax liability for 2008 & 2009, with an exception for small businesses. (2) The NOL deduction is suspended for 2008 and 2009, with an exception for taxpayers with net business income of less than \$500,000 for the taxable year. For taxable years beginning on or after 1/1/08, NOLs may be carried forward for 20 years; NOLs may be carried back for two years for losses generated in taxable years beginning on or after 1/1/2011. This rule does not apply to disaster loss. (3) For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	(1) Add a paragraph under What's New section and modify instructions. (2) & (3) Add a paragraph under What's New section
Sch P(100W)	Yes	AB 1452	(1) Business credit are limited to 50% of tax liability for 2008 & 2009, with an exception for small businesses. (2) The NOL deduction is suspended for 2008 and 2009, with an exception for taxpayers with net business income of less than \$500,000 for the taxable year. For taxable years beginning on or after 1/1/08, NOLs may be carried forward for 20 years; NOLs may be carried back for two years for losses generated in taxable years beginning on or after 1/1/2011. This rule does not apply to disaster loss. (3) For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	(1) Add a paragraph under What's New section and modify instructions. (2) & (3) Add a paragraph under What's New section
Sch QS	No		No legislation impact	
Sch R	Yes	AB 1452	(3) For taxable years beginning on or after July 1, 2008, affiliated corporations may share credits.	Add a paragraph under What's New section
Sch S	No	AB3078	Other State Tax Credit Claims	No changes on 2008 forms. Impacts 2009
Sch W-2	No		No legislation impact	